

City of Austin Administrative Bulletin

SUBJECT: **Disposal of Surplus and Outdated Fire Fighting Equipment**

ORIGINATING DEPARTMENT: **Fire Department & Purchasing Office**

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(Name and Department)

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(City Manager or Designee)

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I. Purpose

Article III, Section 52h of the Texas Constitution allows municipalities to donate outdated or surplus firefighting equipment or supplies to underdeveloped countries. This Administrative Bulletin implements the procedures to be followed in donating equipment to underdeveloped nations and/or local firefighting agencies. This mutual aid network will provide revenue for the City and will address regional preparedness in responding to area-wide disasters or emergencies.

II. Procedures

The attached document outlines the procedure for disposing of Fire Department surplus and outdated firefighting equipment.

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Definitions

Fair Market Value (or FMV): The value assigned to a piece of equipment if it were to be sold commercially in a competitive marketplace.

Buyer: Interested party or winner of drawing who is eligible to purchase the disposal asset at Fair Market Value

Responsibilities of City Departments Affected

Fire Department (AFD)– Coordinate the transfer of assets to the appropriate department for disposal.

FSD- Purchasing - (includes Materials Management)- At disposal (sale, donation, etc.) the Purchasing Department will submit Fixed Asset Disposal forms for each capital asset and coordinate the disposal of non-vehicle assets via: auction, sale at FMV, or donation.

FSD- Controller's Office – The Fixed Asset section will periodically monitor this account to determine that asset disposals follow this procedure.

- Transfer forms will remove the asset from the departmental asset inventory.
- Fixed Asset section will maintain an inventory of assets pending disposal.

FSD- Fleet Services –Assign fair market values to vehicles and coordinate the disposal of said vehicles via: auction, sale at FMV, or donation.

Procedures

- 1) The **Fire Department** will make a determination under its **Safety Office** on whether or not the surplus or outdated firefighting equipment must be destroyed.
 - a) If the item in question must be destroyed by legal requirement or is recommended for destruction, it shall not be sold, auctioned or donated. The Austin Fire Department will send item(s) to be destroyed and will send Asset Disposal forms to the Controller's Office Fixed Asset Section to remove the item from inventory rolls.
 - b) If the item is not to be destroyed, then Fleet Services and the Purchasing Division of the Financial Services Department will determine its trade-in or fair market value (FMV). In all cases, listed eligible entities that have provided e-mail addresses, including sister cities, will be notified of surplus equipment as it becomes available for sale, auction or donation.
- 2) Disposal options are determined by trade-in or salvage value as follows:
 - a) If any surplus equipment item has a trade-in or FMV greater than \$15,000, it will be traded in or sold at auction.
 - b) If the item is valued at or above \$3500, but below \$15,000, and it is not to be traded in, it will be sold directly to an eligible entity at FMV or sold at auction if there is no interest in the item from eligible entities. If more than one eligible entity is interested in purchasing the item at FMV, first right to purchase will be determined based on the tier structure described in 3 a) and b) below.
 - c) If the item is valued below \$3500, the item will be donated to an interested party (see #3 below). If there are no interested parties, it may be traded in, sold at FMV, or auctioned.
- 3) If the FMV is less than \$3,500, and if the item is to be donated, the following steps will be observed:
 - a) A tier structure will be used to determine which entity has the first right to receive the item(s)
 - i) Sister Cities will normally have the first opportunity to acquire the item. This will be at the City's discretion dependent upon what items they have recently acquired through purchase or donation.
 - ii) Second priority will go to Texas based firefighting entities when there is a public good that can be served.
 - iii) Underdeveloped nations that have made requests would get final priority.
 - b) If more than one entity *within* a tier is interested and eligible, a drawing will be held to determine who will receive the item(s).
 - c) The selected entity will have one hundred eighty (180) days to pick up the item(s) in question. See pickup procedures below.
 - d) If no interested parties respond, the item will be traded in, sold or auctioned.

- 4) If the item is to be sold, and if more than one eligible entity is interested in purchasing the item at FMV, first right to purchase will be determined based on the tier structure described in 3 a) and b) above.

The buyer has twenty (20) days to furnish payment to the City of Austin in U.S. funds drawn on a U.S. bank. The buyer must arrange pickup of the item(s) within (90) days.

- 5) If the buyer withdraws and does not pay the FMV for the item, then new notices will be sent out to other interested eligible entities. If there are no other interested eligible entities, the item will be auctioned. Standard auction procedures shall then be followed.

Pickup Policies and Procedures

- 1) All radios, computers, identifying marks, patches, symbols, etc. must be removed from vehicles and wearing apparel before they can be sold or donated.
 - a) In the case of vehicles, Fleet Services will be responsible for the removal of said items.
 - b) For all other items, Materials Management will be responsible for the removal.
- 2) Item(s) will be held at City of Austin (AFD, Fleet Services, or Materials Management) facilities until picked up by verified representative(s) of the city/entity to receive the item(s).
- 3) All items, purchased, donated or auctioned, must be picked up in Austin at the expense of the buyer or beneficiary receiving the item.
- 4) The buyer or beneficiary will be required to sign a receipt for the goods purchased or received. If the official representative is not the person that will be picking up the items, the buyer or beneficiary must provide the name of the person that will be authorized to pick up the items. The authorization must be provided in advance and in writing.
- 5) The City of Austin will not deliver items to the prospective buyers or beneficiaries.
- 6) The City of Austin will not reimburse travel expenses or pay for administrative leave to employees who volunteer to deliver items.

Eligibility

To become an eligible entity, the entity must:

- 1) Submit a request from an official representative.
- 2) Be able to wire, in U.S. funds, the FMV amount to the City of Austin or set up a local bank account with a trustee relationship that can pay for the items that will be purchased.
- 3) Agree that funds will be transferred within twenty working days of the notification of their eligibility to purchase said item at FMV.

- 4) Designate an official single point of contact so that the City of Austin can forward information about the surplus items. An e-mail address, fax and phone number should be included.

Revenue Collected

The revenue that is collected will go to the selling (Fleet Services or Purchasing Office) department unless prior arrangements have been made with the donating department (Austin Fire Department).